

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF GRAYSON COUNTY)	
WATER DISTRICT FOR A GENERAL RATE)	
ADJUSTMENT, TO INCREASE NON-)	
RECURRING CHARGES, TO INCREASE TAP)	CASE NO.
FEES, AND TO REVISE ITS TARIFF PURSUANT)	2004-00511
TO THE PROVISIONS OF KRS 278.030,)	
278.0152, 807 KAR 5:001 AND 807 KAR 5:011)	

ORDER

Grayson County Water District ("Grayson District") has applied to the Commission for authority to increase its rates for water service, to increase non-recurring charges and tap fees, and to revise certain provisions of its tariff effective for service rendered on and after April 18, 2005. In its filing Grayson District has requested permission to deviate from the filing requirements of Administrative Regulation 807 KAR 5:001, Section 10(7)(b), which requires the submission of the utility's most recent capital construction budget. In support of its deviation request, Grayson District states that it does not maintain a capital construction budget and that any new construction occurs on a case-by-case basis.

On April 7, 2005, Grayson District requested permission to deviate from the filing requirements of Administrative Regulation 807 KAR 5:001, Section 10(7)(d), which requires the submission of an operating budget for each month of the period encompassing the pro forma adjustments. In support of its motion, Grayson District states that it does not adopt monthly operating budgets, rather it adopts an annual

budget for each calendar year. Grayson District's annual budget for calendar year 2005 was attached to the April 7 request to deviate.

Administrative Regulation 807 KAR 5:001, Section 14, provides the Commission with the authority to permit deviations from its regulations for good cause shown. Having reviewed the filing and being otherwise sufficiently advised, the Commission finds that the information contained in Grayson District's application is sufficient for our review of the application and that requiring the submission of the above-mentioned reports in this instance would result in increased rate case expense without any corresponding benefit to the ratepayers, the Commission, or the public.

Additionally, the Commission finds that, pursuant to KRS 278.190, further proceedings are necessary in order to determine the reasonableness of Grayson District's proposed rates and that such proceedings cannot be completed prior to the proposed effective date of April 18, 2005.

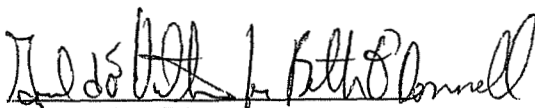
Finding that good cause exists and being otherwise sufficiently advised, the Commission HEREBY ORDERS that:

1. Grayson District's requests for permission to deviate from the filing requirements of Administrative Regulation 807 KAR 5:001, Sections 10(7)(b) and 10(7)(d), are granted.
2. Grayson District's proposed rates are suspended for 5 months from April 18, 2005, up to and including September 17, 2005.

Done at Frankfort, Kentucky, this 14th day of April, 2005.

By the Commission

ATTEST:


Executive Director

Case No. 2004-00511